



Welcome to our Fifty Second Edition of Pay-Net's E-Newsletter. Previous editions of our E-Newsletter are available on our web site, www.pay-net.net, under the "Employer Resources – Newsletter" section. We want to welcome all of our new clients that started processing with us this month. Our E-Newsletter is published about 6 to 10 times per year. If any other people in your organization would like a copy of our E-Newsletter, please send a request by email to: operations@pay-net.net.

Please Keep Your Email Addresses Current When you have personnel changes, remember to send us any email address changes. You can send these to operations@pay-net.net. By doing this, our list will remain current. When we sent out the last E-Newsletter, we got over 50 bounce-backs because the email addresses were no longer valid.

Pay-Net Email Addresses: If you need to communicate with us, we recommend that you send us an email. This practice will provide you, and us, a hard copy of the communication. Here are Pay-Net's current email accounts.

- | | |
|---------------------------|---|
| Wayne Lee (Owner): | wayne@pay-net.net |
| Hollis (General Manager): | hlee@pay-net.net |
| Gloria (Operations Mgr): | gbal@pay-net.net |
| Becky (Operations): | rbaker@pay-net.net |
| Paula (Operations): | pmowry@pay-net.net |
| Anna (Tax Manager): | atudor@pay-net.net |
| Ivan (Technical): | idiaz@pay-net.net |
| General Communication: | operations@pay-net.net (this will be forwarded to the appropriate person) |
| Debbie (Sales): | dwillett@pay-net.net |
| Don (Sales): | denck@pay-net.net |

Of course, if you need to talk with us immediately, we do answer the phones with *live* people, not voice mail. If you happen to get into our voice mail system, be assured that all of us are on the phone when you called.

Pay-Net's web site: If you have the opportunity, please visit our web site at www.pay-net.net and let us know what you think about it. Send your responses to operations@pay-net.net.

"Challenging" Payroll Dates: Please take notice of the following dates as you prepare your payroll information.

▶ **Thursday, November 25th is Thanksgiving Day. This is a normal banking holiday and Pay-Net will be closed on this day. Please take this into account as you prepare your payroll for processing.**

▶ **Friday, November 26th is the original "Black Friday" and if you ever worked in retail you know why it's called that. This IS NOT a banking holiday. However, Pay-Net will be closed on that day. Please take this into account as you prepare your payroll for**

processing. If you normally date your checks for a Friday, or the 26th, and you have direct deposit, we need your payroll information before 3:00 pm on Tuesday, November 23rd.

▶ November 30th, the last day of the month, falls on a Tuesday. If you normally date your checks for Tuesday, or the last day of the month, and you have direct deposit, we need your payroll information before 3:00 on Wednesday, November 24th.

▶ December 5th falls on a Sunday. If you normally date your checks for the 5th, your check date will fall back to Friday, December 3rd. If this describes your company and you have direct deposit, we will need your payroll information before 3:00 pm on Wednesday, December 1st.

▶ December 20th falls on a Monday. If you normally date your checks for the 20th and you have direct deposit, we need your payroll information before 3:00 pm on Thursday, December 16th.

YEAR END PROCESSING SCHEDULE:

Christmas: Pay-Net will be closed on Christmas Eve Day, Friday, December 24th. If your office will also be closed on Friday, and you are processing payroll on Thursday the 23rd, please let us know so we can schedule your payroll delivery for Monday.

New Years: Pay-Net will close at 12:00 Noon on Friday, December 31st. Our bank's processing will close at 9:30 am on the 31st. So, if you need to have your payroll processed on the 31st and you have direct deposit, we will need your payroll information before 9:00 am on Friday, December 31st.

Note on Check Dates: If you normally date your checks for the 1st of the month, your check date will roll back to Friday, December 31st. If you do not want this to happen, please let us know.

Last Day for 2010 processing: The last day to process any 2010 information that you want to appear on the 2010 W2 Forms is Thursday, December 30th. Any 2010 information processed after that date is subject to W2 rerun and reprocessing charges.

▶ January 15, 2011, falls on a Saturday. If this describes your company, your check date will roll back to Friday, January 14th, and if you have direct deposit we will need your payroll information before 3:00 pm on Wednesday, January 12th.

▶ Monday, January 17, 2011, is Martin Luther King Jr Day – this is an official bank holiday, but Pay-Net will be open. If you normally date your checks for Monday, your check date will roll back to Friday, January 14th. If you normally date your checks for Tuesdays or Wednesdays, and you have direct deposit, we will need your payroll information one day earlier.

▶ January 31, 2011, falls on a Monday. If you normally date your checks for the end of the month and you have direct deposit, we will need your payroll information before 3:00 pm on Thursday, January 27th.

Does Pay-Net Ensure Compliance With Various Federal and State Regulations? While we want to laugh at this question, one of our national competitors is spreading the rumor that Pay-Net does not ensure compliance with IRS and state regulations.

This is totally false and a baseless statement meant to plant seeds of doubt with our clients.

Not only are we constantly checking our software for compliance issues, our programmers react more quickly to changing compliance issues than any of our other competitors. For example, the HIRE Credit and COBRA credits were implemented in our software within hours of being signed into law! One of our national competitors still cannot do the COBRA or HIRE credits in their software, they must do it manually!! Our software is being run by the members of One Point Solutions with offices in seven states and processing over 250,000 checks per month for clients located in 48 states! We have one employee whose only job is to ensure compliance with Federal, State and Local laws. If we had any compliance issues they would have come to light.

Year End Is Coming!!: Yikes, it's hard to believe that year-end is quickly approaching! With the holiday season fast approaching, we will quickly move right through Christmas. Before you know it, it's Year End time!

Before things get too hectic, we suggest that you examine your payroll dates for the rest of the year. Look for conflicts with holidays, remembering that for direct deposit, you need to transmit your payroll information to us three days prior to check date.

Also, there any year-end payroll issues that you can start preparing for. You can start now planning for such things as PUC's (Personal Use of Company Car), or other fringe-type benefits that need to be reported on the W-2 Form. Other payroll issues that need to be reflected on W2 Forms include Third Party Sick Pay and Allocated Tips. If any of these items affect your company, please let us know.

Also, be alert for the annual **IRS Depository Notices** that are mailed out in November to companies that change depository frequency. The states will start sending out **SUI Rate Change Notices** in November or December. Both of these notices need to be sent or faxed to Pay-Net. **Please note that Pay-Net does not receive a copy of your Depository Change Notice. Therefore, we cannot be held responsible for any IRS or EDD penalties that can result from a change in your depository frequency.**

The cutoff day for entering 2010 payroll adjustments is Thursday, December 30th. We will begin processing Year End on December 31, 2010. If you are aware of any issues that may cause a re-processing of year-end, please let us know so we can delay your processing and you may avoid any reprocessing fees.

Regarding our EVS Service: Soon, we will be sending out letters to companies that had employee problems with Social Security name checks. Please try to have all changes reported to Pay-Net before December 30th. However, if you are a remote entry client, or you are on ePayentry, you need to make these changes in the system before December 30th.

Regarding Employee Copies of W2 Forms: If there are any "reporting type" problems on the Employee Copy of the W2, such as name misspelling, wrong Social Security Number, etc., please be advised that the IRS will accept "white out" on Employee Copies. This will save you time and money having to have an employee copy rerun. But, any changes must be entered into the system so they will be reflected on the Filing Copies of W2 forms which Pay-Net will file on, or before, February 15th. If an employee loses their W2 form, you can simply make a copy from the employer copy and give the employee the copy.

We anticipate being through with Year End by January 21, 2011. If you have not received your Year End package by that date, please call us.

No More EIC for Employees: The Advanced Earned Income Tax Credit, which has been available to low paid employees for many years, will no longer be in effect starting January 1, 2011. The employees can still claim EIC on their personal income tax returns though.

Minimum Wage Increases: The following states have announced minimum wage adjustments starting January 1, 2011. Please remember that Pay-Net will not automatically change any employee rates of pay. You must make the change yourself or request that we do the change.

Washington: The rate increases to \$8.67 an hour, effective Jan. 1, 2011. Employees ages 14 and 15 can be paid 85 percent of the adult minimum wage, or \$7.37 per hour.

Vermont: The rate increases to \$8.15 an hour. The maximum tip credit is \$4.20 an hour; employers must pay tipped employees \$3.95 an hour.

Arizona: The rate increases to \$7.35 an hour, from \$7.25.

Ohio: The rate increases to \$7.40 an hour for nontipped employees and to \$3.70 an hour for tipped employees, plus tips.

Montana: The rate increases to \$7.35 an hour.

Oregon: The rate goes to \$8.50 per hour

Florida and Missouri officials said the minimum wage would remain \$7.25 an hour

IRS Defers W2 Employer Health Care Reporting Requirement: A requirement that employers report the cost of health care coverage under an employer-sponsored group plan was deferred for 2011, the Internal Revenue Service said October 12th.

The reporting requirement is now optional for 2011, the IRS said. IRS and the Treasury Department wanted to give employers more time to adjust payroll systems or procedures in preparation for compliance with the new reporting requirement, the agency said. Guidance on the requirement is expected by the end of this year.

A draft of the 2011 Form W-2, Wage and Tax Statement, shows that these amounts will be reported in Box 12 of the form, using Code DD. Box 9, previously used to report Advance Earned Income Credit payments, is grayed out in the draft Form W-2 for 2011 because the credit was repealed.

IRS reiterated that the reported amounts are not taxable. The reporting requirement, included in the Affordable Care Act (Pub. L. No. 111-148) passed by Congress in March, is to give employees more information on health care costs, IRS said

Even though this issue has been delayed until 2012, there is no better time to start than now. Our payroll system is equipped for, and can easily handle, this reporting requirement. If you would like to get started, just send an email to operations@pay-net.net and we can provide you with the information you need to get started.

Changes to Health Care Law That Affect Payroll: Key provisions under amendments to the recently signed health care law, including a new starting date for tax-free contribution limits on FSAs, will affect payroll considerations.

The Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), signed March 30, made several changes to the underlying Patient Protection and Affordable Care Act (P.L. 111-148), signed March 23.

The \$2,500 limit on tax-free employee contributions to flexible-spending accounts starts in 2013 instead of 2011. New rules that prohibit the use of FSA funds to buy nonprescription drugs still take effect Jan. 1, 2011.

Another amendment added a 3.8 percent Medicare tax on unearned income for employees earning more than \$200,000 a year, which is in addition to the 0.9 percent on the employee's portion of the Medicare (HI) tax when wages are more than \$200,000, effective 2013.

The maximum amount of the income exclusion for employer-provided adoption assistance is \$13,170 for tax years starting in 2010, up from \$12,170. The exemption, which was extended to Dec. 31, 2011, is to be adjusted for inflation annually.

Payroll Puzzler: The Question: Jill works for Company X and earns \$10,680 a month. The annual OASDI tax liability on her pay is satisfied with her October paycheck. The employer stops related withholding and also ends the employer portion of OASDI, but still withholds income tax and pays Medicare taxes. In November, she starts work at Company Y. Must her new employer withhold FICA taxes? Find the answer on the last page.

Current Health Law Changes Going Into Effect: It is exactly six months since the sweeping health-care overhaul bill known as the Patient Protection and Affordable Care Act was signed into law, and on September 22, 2010 a number of consumer protections provided by the law took effect.

For all plans including individual and group policies as well as employer-sponsored plans insurers will no longer be permitted to:

- (1) Deny coverage to children with pre-existing conditions.

This doesn't necessarily prevent insurers from charging higher premiums in such cases. But it does mean they can no longer refuse to sell policies to children who are sick. Nor can they temporarily or permanently exclude coverage of medical bills arising from a child's pre-existing condition. An important caveat: This rule does not apply to plans purchased before the new law's adoption on March 23, 2010. But Americans of all ages will be able to get these protections after 2014.

- (2) Put lifetime limits on benefits.

Some more caveats: A plan can still put a lifetime dollar limit on spending for health services that the government does not deem "essential." The new rules may not kick in until you begin a new plan year. For example, if your policy has a calendar plan year, the new rules would apply to your coverage beginning Jan. 1. Depending on your type of plan and when it was issued, the law also restricts how much of a dollar cap your insurer can put on your annual benefits.

- (3) Cancel a policy retroactively without proving fraud.

This addresses a practice known as "recession," by which insurers could cancel coverage just as a person got sick on the grounds that they or their employer had provided inaccurate information on their original insurance applications.

The inaccuracies could be innocuous, and stories abound of people losing their coverage just when they needed it most because they had slightly misstated their height and weight, or failed to mention a gall stone removal years earlier that had no relation to their current illness. Now insurers will have to prove that the omission was more than just an honest mistake. As with many of the other rules, this one applies to "plan years" or "policy years" that begin on or after Sept. 23, 2010.

People enrolled in job-related health plans or individual health insurance policies created after March 23 will enjoy some additional benefits. However, for policies that have renewable "plan years," the protections only take effect after the renewal date. For example, if you are covered by an employer's plan that renews Jan. 1, these benefits will not kick in until then.

(4) Right to appeal denial of claims.

You now have the right to demand that your health plan reconsider a decision to deny you payment for a test or treatment. This includes the right to appeal to an external, independent reviewer.

(5) Free preventive services.

The plan must give you access to a range of recommended preventive services, such as screenings, vaccinations and counseling without charging you out-of-pocket costs.

(6) Young adults can stay on a parent's plan until age 26.

If your plan covers children, in most cases you will be able to add or keep your children on your policy until they turn 26 unless they can get coverage through a job.

(7) Choice of primary care doctor, obstetrician/gynecologist and pediatrician.

The plan must let you choose the primary care doctor or pediatrician that you want from its provider network, or let you see an OB/GYN, without requiring a referral from another doctor.

(8) The right to use the nearest emergency room without penalty.

Your plan can no longer require you to get prior approval before seeking emergency room services from a provider or hospital outside your plan's network. It also can't charge you higher co-payments or co-insurance for out-of-network emergency room services.

(This information was provided by one of Pay-Net's clients, Ferguson McClure & Associates)

Health Care Tax Credit for Small Employers: Included in the Patient Protection and Affordable Care Act approved by Congress in March and signed into law by President Obama, the credit is one of the first health care reform provisions to go into effect. The credit, which takes effect this year, is designed to encourage small employers to offer health insurance coverage for the first time or maintain coverage they already have.

“We want to make sure small employers across the nation realize that — effective this tax year — they may be eligible for a valuable new tax credit. Our postcard mailing — which is targeted at small employers — is intended to get the attention of small employers and encourage them to find out more,” IRS Commissioner Doug Shulman said. “We urge every small employer to take advantage of this credit if they qualify.”

In general, the credit is available to small employers that pay at least half the cost of single coverage for their employees in 2010. The credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ low- and moderate-income workers.

For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small business employers and 25 percent of premiums paid by eligible employers that are tax-exempt organizations. The maximum credit goes to smaller employers — those with 10 or fewer full-time equivalent (FTE) employees — paying annual average wages of \$25,000 or less. Because the eligibility rules are based in part on the number of FTEs, not the number of employees, businesses that use part-time help may qualify even if they employ more than 25 individuals. The credit is completely phased out for employers that have 25 FTEs or more or that pay average wages of \$50,000 per year or more.

Eligible small businesses can claim the credit as part of the general business credit starting with the 2010 income tax return they file in 2011. For tax-exempt organizations, the IRS will provide further information on how to claim the credit.

2010 Remaining Holiday Schedule and 2011 Holiday Schedule: The following remaining holidays are scheduled for 2010 plus the 2011 holidays. The official “bank holidays” are marked with an “*”

- ▶ * Thursday, November 25, 2010 – Thanksgiving Day – Pay-Net will be closed
- ▶ Friday, November 26, 2010 – Day After Thanksgiving – Pay-Net will be closed
- ▶ Friday, December 24, 2010 – Christmas Eve – Pay-Net will be closed
- ▶ * Saturday, December 25, 2010 – Christmas – Pay-Net will be closed
- ▶ Friday, December 31, 2010 – New Years Eve Day – Pay-Net will close at noon
- ▶ * Saturday, January 1, 2011 – New Years Day – Pay-Net will be closed
- ▶ * Monday, January 17, 2011 – Martin Luther King Jr Day – Pay-Net will be open
- ▶ * Monday, February 21, 2011 – President’s Day – Pay-Net will be open
- ▶ * Monday, May 30, 2011 – Memorial Day – Pay-Net will be closed
- ▶ * Monday, July 4, 2011 – Independence Day – Pay-Net will be closed
- ▶ * Monday, September 5, 2011 – Labor Day – Pay-Net will be closed
- ▶ * Monday, October 10, 2011 – Columbus Day – Pay-Net will be open
- ▶ * Friday, November 11, 2011 – Veteran’s Day – Pay-Net will be open
- ▶ * Thursday, November 24, 2011 – Thanksgiving Day – Pay-Net will be closed
- ▶ Friday, November 25, 2011 – Pay-Net will be closed
- ▶ * Monday, December 26, 2011 – Christmas Day observed – Pay-Net will be closed
- ▶ * Monday, January 2, 2012 – New Years Day observed – Pay-Net will be closed

Taxability of the Health Care Reform’s Addition of Adult Children: Thanks to one of our clients for pointing out the potential tax liability incurred by employees adding their adult children to their health care plan.

According to the language of the federal law, the value of an eligible adult child’s medical coverage is **NOT** taxable under Federal Laws.

However, the State of California, while following the Federal law regarding coverage, did not endorse, nor follow, the federal taxability issue. Instead, the value of an eligible adult child's medical coverage **MAY BE** taxable for California reporting.

If you have enrolled, or are adding a child who is not qualified for tax-free medical coverage, you may need to complete and return an annual Tax Declaration of Adult Child form, available from your insurance carrier. At least once a year, you must review the status of each of your covered children. These rules are in effect retroactively back to June 1, 2010.

Our suggestion is that you consult with your insurance broker, to determine which, if any, eligible adult child's health care will be taxable to the employee. Please let Pay-Net know so we can setup the correct earnings type. The employee would be liable for the California taxes on the adult child's portion of the premium. If you have any questions, please contact our office.

Income Tax Withholdings Increase in 2011: As two key credits expire for employees, employees can expect to see an increase in the amount of taxes withheld from paychecks beginning next year as the Making Work Pay Credit and the Advance Earned Income Credit expire.

Income tax withholding will increase even if Congress votes to extend the recent Bush tax cuts in time for the release of the 2011 income tax withholding tables by the Internal Revenue Service, an American Payroll Association official said.

When the Making Work Pay Credit expires at the end of this year, employees will no longer receive credits that were automatically calculated into paychecks, so the withholding amount will rise, the APA said in a recent news release. The credit, part of the American Recovery and Reinvestment Act of 2009, came with a maximum of \$800 for a married couple filing jointly and \$400 for other taxpayers.

Repeal of the Advance Earned Income Credit will result in a decrease of up to \$152 in take-home pay for eligible workers, the APA said. The AEIC required special withholding for eligible low-income taxpayers to receive a partial Earned Income Credit on federal taxes in their paychecks rather than waiting to claim a refund the next year on their tax return. Employees qualifying for the credit will need to wait until 2012, when they file a 2011 tax return, to receive a tax credit.

At some point, if Congress does not vote to extend the tax cuts, IRS will have to issue 2011 income tax withholding tables operating under the assumption that the tax cuts will expire, Scott Mezistrano the APA said Sept. 21.

If Congress votes to extend the tax cuts after IRS releases the 2011 percentage-method withholding tables, the amount withheld from employees' paychecks at the start of 2011 also may be affected, said Scott Mezistrano, senior manager of government relations at the APA.

If tax cuts are extended after the 2011 percentage-method withholding tables are issued in mid-November, Mezistrano said, there will be some issues when it comes to calculating withholding on paychecks. If tax cuts are extended, IRS will have to issue new income tax withholding tables that reintegrate the tax cuts, which might take some time to show up in employees' paychecks, he said.

Additionally, some companies run the first payroll of 2011 in late 2010. If withholding tables are reissued, some employees are going to end up being overwithheld, Mezistrano said.

IRS to Move Employers to Electronic Tax Payments: Beginning in 2011, all businesses will ***be required*** to make the deposits electronically, the Treasury Department proposed recently. The requirement is part of an initiative to move all taxpayers to electronic transactions. About 98 percent of all business tax dollars are paid electronically through the department's Electronic Federal Tax Payment System.

If you already use Pay-Net's Electronic Tax Filing Service, your deposits are already being made electronically, so there is no need for concern.

If you do not subscribe to our Tax Filing Service and you make your deposits by coupon, you will be required to make your deposits electronically. There are a couple of alternatives available to you. You can directly subscribe to the EFTPS payment system (see <https://www.eftps.com/eftps/>) and make payments online, or you can contact your bank to see if they offer electronic services to do this.

Do You Hire H-1B Employees?: The Labor Department unveiled an online tool to help employers understand how to comply with H-1B visa program requirements. The tool outlines notification requirements, monetary issues, worksite issues, record keeping, worker protections, and enforcement issues. H-1B visas are granted to highly skilled, college-educated, temporary foreign workers for a maximum of six years. The H-1B compliance tool is available at the following link: <http://www.dol.gov/elaws/h1b.htm>

2011 Changes to California Reporting: The E.D.D. has just announced new payroll reporting forms will be implemented starting January 1, 2011.

The Quarterly DE-6 Form and the annual DE-7 Form will be replaced by a quarterly DE-9 Form, Quarterly Contribution Return and Report of Wages, and a DE-9c, the Quarterly Contribution Return and Report of Wages Continuation.

These new forms will mean that the state will be able to reconcile employer's accounts on a quarterly basis instead of the current annual basis.

Please note that you will not see these form until the First Quarter of 2011. We will still be completing and filing the DE-6 and DE-7 Forms for the Fourth Quarter of 2010. You will be receiving these DE-6 and DE-7 Forms in your Year End package around the middle of January, 2011.

Changes in 1099's for 2012: One of the little noticed parts of the health care plan adopted this year calls for changes in the use and reporting of 1099's starting January 1, 2012.

Basically, every company must have all their vendors (anyone you pay money to) complete a Form W9. In other words, you must have a W9 on file for every vendor, INCLUDING corporations. In the past, corporations were exempt from the 1099 filings. In fact, the new rules state that you cannot make any payments to a vendor until you have a W9 on file for them!

In turn, you must file a 1099 for every vendor that receives more than \$600 from your company. This new requirement has caused a lot of concern among businesses according to the national Chamber of Commerce because of the increase in workload being passed down to companies. We hope that Congress will quickly change this provision. Can you imagine all the 1099's that will be filed on Staples alone!

In any case, Pay-Net can track these payments, prepare and file your 1099's. However, if you try to wait until the 2012 Year End time, we will not have the time to enter and process all this information. You must report your 1099 payments to Pay-Net during the course of the year, and you can do this monthly or even quarterly. By following these procedures, you will receive your 1099's timely and can mail them to your vendors in accordance with the IRS rules and regulations.

You can download a W9 Form from Pay-Net's web site under Employer Resources > Employer Forms. Or, you can download the W9 from the IRS web site, www.irs.gov.

Possible FUTA Tax Credits: According to an announcement by the US Labor Department, it looks like there could be several states that will be saddled with additional FUTA taxes due to their state UI department(s) not paying off their federal UI loans. The final announcement of which states will be affected will come out in December.

Bottom line – if you have employees in one of these states, look for an increase in your FUTA tax for 4th Quarter. If you subscribe to our tax filing service, Pay-Net will notify you of the amount of additional tax due, and we will draft your account and make the deposit.

Now, maybe some of you are wondering why a “tax credit” means “increased tax payments”. The reason is as follows: The *real* FUTA tax is 6.2%, but an employer can receive a “tax credit” for making timely and proper UI deposits to their state, up to a 5.4% tax credit. The net result, 0.8% (6.2% minus 5.4%), is what most payroll people take for the “FUTA tax rate”, which it is not. A reduction in a state's tax credit means that the 5.4% figure is reduced depending on the state's shortfall with the feds. So, if the IRS announces that Michigan has a tax credit of 4.0%, that means that Michigan employers will pay 2.2% FUTA tax instead of the 0.8% (6.2% minus 5.4%) – or a resulting increase FUTA cost of \$154 per employee for the year!

Pay-Net's ConfirmFTD Service: We want to remind our clients of our ConfirmFTD service, which allows our Electronic Tax Filing clients to check their Federal tax deposits on the EFTPS Department's web site (a division of the IRS).

To describe the service in a nutshell: For a very minimal one-time fee, Pay-Net will enroll you with the EFTPS unit of the IRS. You will receive a PIN directly from the EFTPS, which will allow you to register and login directly to the EFTPS web site. There, on their web site, you can confirm the date and amount of all Federal 941 and 940 deposits made on your behalf by Pay-Net for the last 16 months.

Additional Services Offered by Pay-Net: Sometimes clients can forget the vast range of services that Pay-Net can offer your company. For example, did you know that we offer four different types of tax services? Or, did you know you could import your payroll information from an Excel® spreadsheet? Since businesses are constantly changing, your payroll and human resource requirements can also change. We encourage you to examine the vast number of services that we offer, from Human Resource tracking to Employee Self Service. To find out about our expanse of services visit our web site, www.pay-net.net, and click on “Pay-Net Solutions”.

Payroll Puzzler Answer: Company Y must withhold FICA taxes, including OASDI, from Jill's salary and pay its portion of the tax for the rest of the year. She is eligible for a refund of OASDI taxes withheld by Company Y through her personal 1040 Income Tax filing.



Note from Wayne

On behalf of Pay-Net, I would like to extend our heartfelt condolences to the Bertrand Hug family over the untimely death of Bertrand and Denise's son, Julien. Bertrand has been a client of Pay-Net's for over 10 years and he is best known as the owner of Mr A's Restaurant and Mille Fleurs Restaurant in Rancho Santa Fe. Personally, I never met Julien but had talked to him several times on the phone over the years. The world has truly lost a remarkable person. Please join us as we lift this family up in prayer.

Wayne Ho